

Message Text

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INFO OCT-01 ISO-00 NEAE-00 SSM-03 SSC-01 TRSE-00 OMB-01
CIAE-00 COME-00 EB-07 INR-07 LAB-04 NSAE-00
SIL-01 SSO-00 NSCE-00 USIE-00 INRE-00 DODE-00
PM-04 H-01 L-03 NSC-05 PA-01 PRS-01 SP-02 SS-15
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FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC IMMEDIATE 6790
INFO AMCONSUL JERUSALEM

C O N F I D E N T I A L SECTION 1 OF 2 TEL AVIV 4450

E.O. 11652: GDS
TAGS: ELAB, PINT, IS
SUBJECT: THE HISTADRUT ELECTION

SUMMARY: POLLS INDICATE THAT WHILE THE LIKUD WILL MAKE
SUBSTANTIAL GAINS IN THE HISTADRUT ELECTION JUNE 21, THE
ALIGNMENT IS LIKELY TO MAINTAIN ITS CONTROL OF THE OR-
GANIZATION. IN THE WEEKS AHEAD, BOTH LIKUD AND LABOR CAN
PROBABLY BE EXPECTED TO USE THE HISTADRUT AND LABOR
ISSUES AS A MAJOR IDEOLOGICAL BATTLE GROUND, WHICH COULD
LEAD TO A DEEP POLITICAL POLARIZATION WITHIN THE COUNTRY
AND FURTHER LABOR UNREST. BEGIN IS MAKING PROMISES OF
PROFOUND IDEOLOGICAL AND INSTITUTIONAL CHANGES. HOW
STRONG AND DETERMINED HIS TROOPS WILL BE AND HOW THE
NEW OPPOSITION WILL REACT TO THESE CHALLENGES ON ALL
FRONTS WILL BE AMONG THE IMPORTANT QUESTIONS OF THE
DAY. END SUMMARY.

1. THE BIG LIKUD CAMPAING RALLY ON JUNE 18 IN TEL
AVIV FOR THE HISTADRUT ELECTION DREW A LARGE AND
ENTHUSIASTIC CROWD ESTIMATED BY NEWSPAPERS AT 20,000
BUT APPEARING TO THE LABOR ATTACHE CONSIDERABLY
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LARGER. THE PRINCIPAL SPEAKERS WERE PRIME MINISTER-
DESIGNATE BEGIN, MINISTER OF AGRICULTURE-DESIGNATE
ARIEL SHARON, MINISTER OF COMMERCE AND INDUSTRY-DESIGNATE
YIGAL HOROWITZ, AND MINISTER OF ABSORPTION-DISIGNATE
AND LIKUD CANDIDATE FOR HISTADRUT SECRETARY GENERAL
DAVID LEVY. BEGIN VANTURED FOR THE FIRST TIME INTO
A MAJOR ECONOMIC POLICY PRONOUNCEMENT, PROMISING

A ONE TO TOW YEAR PRICE-WAGE FREEZE AGREEMENT, NEW MINIMUM WAGES, AND A FIVE DAY WEEK. RISING TO THE OCCASION WITH ORATORICAL FLARE, HE PROCLAIMED THAT LIKUD WOULD BRING ABOUT A FUNDAMENTAL CHANGE IN ISRAEL'S SOCIAL AND ECONOMIC STRUCTURE, WITH SPECIAL EMPHASIS ON FUNCTIONAL AND ORGANIZATIONAL CHANGES OF THE HISTADRUT. HE ATTACKED THE SOCIALIST MESS AND CORRUPTION, CALLED THE REF FLAG OF SOCIALISM THE FLAG STAINED WITH THE BLOOD OF JES, INVOKED THE FALLACIES OF MARXISM WHICH HAD HELDPED TO SHAPE THE ALIGNMENT, AS WELL AS LENINISM AND STALINISM, AND RIDICULED THE SUPPORT WHICH ISRAEL HAD RECEIVED FROM SOCIALIST INTERNATIONALISM. HE PROMISED A NATIONAL HEALTH INSURANCE AND PENSION PLAN TO REPLACE THE HISTADRUT-RUN PENSION PLANS AND HEALTH SERVICES, AND VOWED THAT HIS GOVERNMENT WOULD MAINTAIN FULL EMPLOYMENT. HE REPEATEDLY STRESSED THE NEED TO REPLACE THE SOCIALIST REGIMENTATION OF THE ALIGNMENT WITH A LIBERAL DEMOCRATIC SYSTEM OF GOVERNMENT AND URGED THE VOTERS TO GIVE LIKUD THE SAME MANDATE IN THE HISTADRUT WHICH THEY HAD XGIVEN HIS PARTY IN THE KNESSET IN ORDER TO RECONSTRUCT THE ECONOMY WHICH LABOR HAD LEFT IN SHAMBLES.

2. DAVID LEVY, IN TRRUN, REINFORCED THE ANTI-SOCIALIST THEMES OF BEGIN AND VOWED TO REPLACE "THE REF FLAG OF

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SOCIALISM" ON THE ROOF OF HISTADRUT HEADQUARTERS WITH "THE BLUE AND WHITE FLAG OF ZIONISM." ALL THE SPEECHES MADE CLEAR THAT THE LIKUD WAS CALLING FOR AN IDEOLOGICAL SHOWDOWN WITH THE SOCIALISTS IN THE HISTADRUT, REGARDLESS OF THE IMMEDIATE OUTCOME OF THE HISTADRUT ELECTION.

3. NEWSPAPERS HAVE REPORTED INCREASED LIKUD CAMPAIGNS IN DEVELOPMENT TOWNS, THE OCCUPATION OF A KIBBUTZ FACTORY BY PRO-LIKUD DEMONSTRATORS, AND SEVERAL DISRUPTIONS OF ALIGNMENT CAMPAIGN RALLIES. MOREOVER, AT THE TAIL END OF THE CAMPAIGN, LIKUD ATTACKED THE PERSONAL INTEGRITY OF HISTADRUT SECRETARY GENERAL MESHEL IN AN UNSIGNED FULL PAGE NEWSPAPER ADVERTISEMENT, CHARGING THAT MESHEL'S SON, WHO HEADS A COMPUTER SERVICE COMPANY, HAD BEEN ABLE TO OBTAIN CONTRACTS FROM HISTADRUT COMPANIES WITHOUT COMPETITIVE BIDS AND AT HIGHER THAN MARKET PRICES THROUGH THE INTERVENTION OF HIS FATHER. MESHEL DENIED THE CHARGE AND ANNOUNCED THAT HE WILL SUE LIKUD FOR LIBEL. (THIS WILL BE THE SECOND CAMPAIGN LIBEL SUIT AGAINST LIKUD.) IN DEVELOPMENT TOWNS,

LIKUD IS PROMISING THAT KIBBUTZ-OWNED ENTERPRISES WILL BE TURNED OVER TO THE WORKERS IN THE FORM OF COOPERATIVES AS PART OF ITS EFFORTS TO COUNTER REPORTED ALIGNMENT THREATS THAT WORKERS' JOBS MAY DEPEND ON HOW THEY VOTE.

4. DMC CAMPAIGN SPOKESMEN IN THE MEANTIME ARE ALSO CAMPAIGNING AGAINST LIKUD. MEIR AMIT, DMC CANDIDATE FOR HISTADRUT SECRETARY GENERAL, DECLARED ON JUNE 19 THAT HE DID NOT EXPECT THE LIKUD TO CAPTURE CONTROL OF THE HISTADRUT AND THAT HIS PARTY WAS READY TO FORM A COALITION WITH THE ALIGNMENT IN ORDER TO ASSURE LABOR A MAJORITY. HE ALSO ATTACKED LIKUD PLANS TO "DISMANTLE" THE LABOR ECONOMY AS DANGEROUS TO THE
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COUNTRY. THE INDEPENDENT LIBERAL PARTY IS CAMPAIGNING ON A SIMILAR THEME.

5. POLLSTER MINA ZEMACH HAS INFORMED US THAT ACCORDING TO THE LATEST POLL, CONDUCTED JUNE 14-15, DMC SUPPORT IN THE HISTADRUT IS SHARPLY DECLINING AS A RESULT

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OF THE DMC DECISION NOT TO JOIN THE GOVERNMENT COALITION WITH LIKUD AND THAT MOST OF THESE DMC VOTES ARE REVERTING TO THE ALIGNMENT. HOWEVER, SHE QUALIFIED HER STATEMENT BY SAYING THAT THE PRESENTATION OF THE NEW GOVERNMENT TODAY AND LIKUD CHARGES AGAINST MESHEL, AS WELL AS POSSIBLE LAST MINUTE REASSESSMENTS BY DMC VOTERS, MAY YET RESULT IN SOME DMC RECOVERY. ALTHOUGH REFUSING TO DIVULGE PERCENTAGES, SHE SAID THAT BOTH ALIGNMENT AND LIKUD STRENGTH WERE INCREASING, BUT THAT THE GAP BETWEEN LIKUD AND ALIGNMENT REMAINED SUFFICIENTLY WIDE SO THAT SHE DID NOT ANTICIPATE SIGNIFICANT SURPRISES.

6. COMMENT: BOTH LABOR PARTY AND LIKUD SPOKESMEN INTERVIEWED JUNE 19 AND 20 ON THE PROGRESS OF THE CAMPAIGN BELIEVE THAT THE ALIGNMENT WILL REMAIN IN CONTROL OF THE HISTADRUT, ALBEIT WEAKENED. SPOKESMEN FOR BOTH EXPRESSED THE HOPE THAT AN EARLY CONFRONTATION BETWEEN LIKUD AND ALIGNMENT OVER WAGES AND LABOR POLICIES CAN BE AVOIDED BUT THEY REMAIN PESSIMISTIC ABOUT THE ACTUAL PROSPECT OF COOPERATION. GIVEN THE MANY UNRESOLVED WAGE ISSUES ALONG WITH THE
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PROBLEM OF REFORMING THE CIVIL SERVICE SALARY SYSTEM AND THE PROSPECT OF CONCESSIONS TO THE RELIGIOUS PARTIES WHICH WILL RESULT IN INFRINGEMENTS ON PEOPLE'S PERSONAL LIVES, THE EARLY IMPOSITION OF A PRICE-WAGE FREEZE PLUS NOV-STRIKE COMPULSORY ARBITRATION LEGISLATION FOR PUBLIC AND ESSENTIAL SERVICES WILL ALMOST CERTAINLY PROVIDE SUFFICIENT REASON FOR LABOR TO CHALLENGE THE NEW GOVERNMENT. MOREOVER, MILITANT MEMBERS OF THE HERUT ARE EAGER TO PUSH THE NEW GOVERNMENT TO CHALLENGE AND REDUCE ALIGNMENT DOMINANCE IN THE HISTADRUT. LABOR MILITANTS, FOR THEIR PART, DESIRE AN EARLY CONTEST IN THE HISTADRUT AS A MEANS OF RECOVERING THE POLITICAL INITIATIVE IN THE HOPE OF FORCING THE COUNTRYV INTO NEW ELECTIONS AS SOON AS POSSIBLE. HOWEVER, THE MORE MODERATE LABOR PARTY LEADERS ADMIT THAT AT PRESENT THEIR PARTY IS STILL SO WEAKENED AND DEMORALIZED FROM ITS NATIONAL ELECTION DEFEAT THAT IT WOULD TAKE TIME BEFORE IT COULD PRESENT TO THE ELECTORATE A CREDIBLE ALTERNATIVE TO THE NEWLY INSTALLED GOVERNMENT COALITION.
LEWIS

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